**75020.** This chapter is intended to provide the funds necessary to address the most critical water needs of the state including the provision of safe drinking water to all Californians, the protection of water quality and the environment, and the improvement of water supply reliability.

- 75021. (a) The sum of ten million dollars (\$10,000,000) shall be available to the Department of Health Services for grants and direct expenditures to fund emergency and urgent actions to ensure that safe drinking water supplies are available to all Californians. Eligible projects include, but are not limited to, the following:
- (1) Providing alternate water supplies including bottled water where necessary to protect public health.
- (2) Improvements in existing water systems necessary to prevent contamination or provide other sources of safe drinking water including replacement wells.
  - (3) Establishing connections to an adjacent water system.
- (4) Design, purchase, installation and initial operation costs for water treatment equipment and systems.
  - (b) Grants and expenditures shall not exceed \$250,000 per project.
- (c) Direct expenditures for the purposes of this section shall be exempt from contracting and procurement requirements to the extent necessary to take immediate action to protect public health and safety.
- 75022. The sum of one hundred eighty million dollars (\$180,000,000) shall be available to the Department of Health Services for grants for small community drinking water system infrastructure improvements and related actions to meet safe drinking water standards. Priority shall be given to projects that address chemical and nitrate contaminants, other health hazards and by whether the community is disadvantaged or severely disadvantaged. Special consideration shall be given to small communities with limited financial resources. Eligible recipients include public agencies and incorporated mutual water companies that serve disadvantaged communities. The Department of Health Services may make grants for the purpose of financing feasibility studies and to meet the eligibility requirements for a construction grant. Construction grants shall be limited to \$5,000,000 per project and not more than twenty five percent of a grant may be awarded in advance of actual expenditures. The Department of Health Services may expend up to \$5,000,000 of the funds allocated in this section for technical assistance to eligible communities.
- 75023. For the purpose of providing the state share needed to leverage federal funds to assist communities in providing safe drinking water, the sum of fifty million dollars (\$50,000,000) shall be available for deposit into the Safe Drinking Water State Revolving Fund (Section 116760.30 of the Health and Safety **Code**).
- 75024. For the purpose of providing the state share needed to leverage federal funds to assist communities in making those infrastructure investments necessary to prevent pollution of drinking water sources, the sum of eighty million dollars (\$80,000,000) shall be available for deposit into the State Water Pollution Control Revolving Fund (Section 13477 of the Water Code).
- 75025. The sum of sixty million dollars (\$60,000,000) shall be available to the Department of Health Services for the purpose of loans and grants for projects to prevent or reduce contamination of groundwater that serves as a source of drinking water. The Department of Health Services shall require repayment for costs that are subsequently recovered from parties responsible for the contamination. The Legislature may enact legislation necessary to implement this section.

- 75026. (a) The sum of one billion dollars (\$1,000,000,000) shall be available to the department for grants for projects that assist local public agencies to meet the long term water needs of the state including the delivery of safe drinking water and the protection of water quality and the environment. Eligible projects must implement integrated regional water management plans that meet the requirements of this section. Integrated regional water management plans shall identify and address the major water related objectives and conflicts within the region, consider all of the resource management strategies identified in the California Water Plan, and use an integrated, multi-benefit approach to project selection and design. Plans shall include performance measures and monitoring to document progress toward meeting plan objectives. Projects that may be funded pursuant to this section must be consistent with an adopted integrated regional water management plan or its functional equivalent as defined in the department's Integrated Regional Water Management Guidelines, must provide multiple benefits, and must include one or more of the following project elements:
- (1) Water supply reliability, water conservation and water use efficiency.
- (2) Storm water capture, storage, clean-up, treatment, and management.
- (3) Removal of invasive non-native species, the creation and enhancement of wetlands, and the acquisition, protection, and restoration of open space and watershed lands.
- (4) Non-point source pollution reduction, management and monitoring.
  - (5) Groundwater recharge and management projects.
- (6) Contaminant and salt removal through reclamation, desalting, and other treatment technologies and conveyance of reclaimed water for distribution to users.
- (7) Water banking, exchange, reclamation and improvement of water quality.
- (8) Planning and implementation of multipurpose flood management programs.
  - (9) Watershed protection and management.
  - (10) Drinking water treatment and distribution.
  - (11) Ecosystem and fisheries restoration and protection.
- (b) The Department of Water **Resources** shall give preference to proposals that satisfy the following criteria:
- (1) Proposals that effectively integrate water management programs and projects within a hydrologic region identified in the California Water Plan; the Regional Water Quality Control Board region or subdivision or other region or sub-region specifically identified by the department.
- (2) Proposals that effectively integrate water management with land use planning.
- (3) Proposals that effectively resolve significant water-related conflicts within or between regions.
- (4) Proposals that contribute to the attainment of one or more of the objectives of the CALFED Bay-Delta Program.
  - (5) Proposals that address statewide priorities.
- (6) Proposals that address critical water supply or water quality needs for disadvantaged communities within the region.
- (c) Not more than 5% of the funds provided by this section may be used for grants or direct expenditures for the development, updating or improvement of integrated regional water management plans.
- (d) The department shall coordinate the provisions of this section with the program provided in Chapter 8 of Division 26.5 of the Water Code and may implement this section using existing Integrated Regional Water Management Guidelines.
- 75027. (a) The funding provided in Section 75026 shall be allocated to each hydrologic region as identified in the California Water Plan and listed below. For the South Coast Region, the department shall establish three sub-regions that reflect the San Diego county watersheds, the Santa Ana River watershed, and the Los Angeles-Ventura County watersheds respectively, and allocate funds to those sub-regions. The North and South Lahontan regions shall be treated as one region for the purpose of allocating funds, but the department may require separate regional plans. Funds provided in Section 75026 shall be allocated according to the following schedule:

(1) North Coast	\$37,000,000
(2) San Francisco Bay	\$138,000,000
(3) Central Coast	\$52,000,000
(4) Los Angeles sub-region	\$215,000,000
(5) Santa Ana sub-region	\$114,000,000
(6) San Diego sub-region	\$91,000,000

(7)	Sacramento River	\$73,000,000
(8)	San Joaquin River	\$57,000,000
(9)	Tulare/Kern (Tulare Lake)	\$60,000,000
(10)	North/South Lahontan	\$27,000,000
(11)	Colorado River Basin	\$36,000,000
(12)	Inter-regional/Unallocated	\$100,000,000

- (b) The interregional and unallocated funds provided in subdivision (a) may be expended directly or granted by the department to address multi-regional needs or issues of statewide significance.
- 75028. (a) The department shall allocate grants on a competitive basis within each identified hydrologic region or sub-region pursuant to Section 75027. The department may establish standards and procedures for the development and approval of local project selection processes within hydrologic regions and sub-regions identified in Section 75027. The department shall defer to approved local project selection, and review projects only for consistency with the purposes of Section 75026.
- (b) If a hydrologic region or sub-region identified in Section 75027 does not have any adopted plan that meets the requirements of Section 75026 at the time of the department's grant selection process, the funds allocated to that hydrologic region or sub-region shall not be reallocated to another region but will remain unallocated until such time as an adopted plan from the hydrologic region or sub-region is submitted to the department.
- **75029.** The sum of one hundred thirty million dollars (\$130,000,000) shall be available to the department for grants to implement Delta water quality improvement projects that protect drinking water supplies. The department shall require a cost share from local agencies. Eligible projects are:
- (a) Projects that reduce or eliminate discharges of salt, dissolved organic carbon, pesticides, pathogens and other pollutants to the San Joaquin River. Not less than forty million (\$40,000,000) shall be available to implement projects to reduce or eliminate discharges of subsurface agricultural drain water from the west side of the San Joaquin Valley for the purpose of improving water quality in the San Joaquin River and the Delta.
- (b) Projects that reduce or eliminate discharges of bromide, dissolved organic carbon, salt, pesticides and pathogens from discharges to the Sacramento River.
- (c) Projects at Franks Tract and other locations in the Delta that will reduce salinity or other pollutants at agricultural and drinking water intakes.
- (d) Projects identified in the June 2005 Delta Region Drinking Water Quality Management Plan, with a priority for design and construction of the relocation of drinking water intake facilities for in-delta water users.
- **75029.5.** The sum of fifteen million dollars (\$15,000,000) shall be available to the state board for grants to public agencies and non-profit organizations for projects that reduce the discharge of pollutants from agricultural operations into surface waters of the state.